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**FISCAL IMPACT STATEMENT**

**LS 7387**

**BILL NUMBER:** HB 1803

**NOTE PREPARED:** Jan 18, 2005

**BILL AMENDED:**

**SUBJECT:** Property tax sales.

**FIRST AUTHOR:** Rep. Saunders

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill amends the procedures for property tax sales and redemption of property sold in property tax sales.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The bill provides that the county auditor is not required to mail certain notices by certified mail to a person with a mailing address outside the United States. The bill expands the information that the county auditor must maintain on a tax sale record. The bill provides that when real property is redeemed and the certificate of sale is surrendered, the county auditor must issue a warrant to the purchaser of the certificate of sale, or assignee, in an amount equal to the remainder of:

    (1) the amount received by the county treasurer for redemption; minus

    (2) the remainder of:

        (A) the amount of the minimum bid for which the tract or item of real property was last offered for sale; and

        (B) the amount for which the certificate of sale was sold.

The overall impact of these provisions on local expenditures is indeterminable and will depend, in part, on current county practices.

**Explanation of Local Revenues:** Under existing law, before July 2 of each year, the county treasurer must certify to the county auditor a list of real property on which property taxes or special assessments certified to the county auditor for collection by the county treasurer from the prior year's spring installment or before are delinquent. The bill provides that failure of the county treasurer to certify the list before July 2 does not invalidate an otherwise valid sale. The bill provides that a misstatement in the common description of the property does not invalidate an otherwise valid sale. These provisions could result in counties sales not being invalidated, in which case the county could keep revenue generated by the sale. .

The bill includes items of real property and certificates of sale to existing provisions regarding tracts for sale. This provision expands what is available for sale which could increase revenue generated from sales. The impact is indeterminable.

The bill adds a provision pertaining to the total amount of money required for the redemption of real property. In addition to other provisions already in statute, the bill requires that costs of giving notice, postage, certified mailing fees, and publication costs must also be included. This provision could increase revenue obtained from redemptions.

**State Agencies Affected:**

**Local Agencies Affected:** Counties.

**Information Sources:**

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586.